The Bahamas' National Counter-Terrorist Financing (CTF) & Counter-Proliferation Financing (CPF) Risk Strategy

2026 – 2029

Incorporating the results of the Bahamas' 2024 National TF Risk and 2025 National PF Assessment for the review period of 2021 – 2025. These results include evaluations of the institutional and legal CFT/CPF frameworks, national threats and vulnerabilities, and the financial and non-financial service providers in The Bahamas – banks, trust companies, securities industry registrants and licensees, insurance industry licensees and registrants, money transmission service providers, credit unions, financial and corporate service providers, casinos, DNFBPs (accountants, lawyers, real estate agents, etc.).

Foreword by the Honorable Attorney General

It gives me great pleasure on behalf of the Government of the Commonwealth of The Bahamas to present The Bahamas' National CFT/CPF Strategy (BNCCS) January 2026 – January 2029. The strategy represents the result of close collaboration among stakeholders with a vested interest in ensuring that The Bahamas' Identified Risk Framework continues to be robust and at all times of the highest standards for preventing, detecting and deterring money laundering, terrorist financing, proliferation financing and other identified risks.

The Bahamas has long been an active participant in international efforts to disrupt organized crime and to remove the profit from criminal activity. As a founding member of the Caribbean Financial Action Task Force (CFATF), The Bahamas has demonstrated its commitment to international best practice embodied within the 40 Recommendations of the Financial Action Task Force (FATF). The Jurisdiction has been through four mutual evaluations by the CFATF and is currently undergoing its 5th Round of Mutual Evaluations. The results will be published in May 2027.

Our BNCCS provides an overarching look at our vision of an efficient and effective CTF/CPF Regime, an important component of our National Identified Risk Framework (NIRF) and provides a guide for its maintenance. This will assist competent authorities in initiating coordinated action for the implementation of adequate TF/PF risk mitigation measures and allow the private sector to better align its efforts with national objectives.

As we look toward to the further strengthening of The Bahamas CTF/CPF Regime, I sincerely thank all the stakeholders who made the successful completion of this document a possibility. I implore you to demonstrate the same commitment and fervor as we pursue its effective implementation.

Executive Summary

This is the first BNCCS and it addresses the issues identified in the 2024 CFT and 2025 CPF NRAs. The BNCCS (2026 – 2026) is designed to address the threats and vulnerabilities identified in the country's CFT/CPF regime (legal, supervisory and regulatory) in the TF and PF National Risk Assessments (NRAs). The BNCCS provides a road map for the strengthening of the existing CFT/CPF regime and National Identified Risk Framework (NIRF) over the next three years. The first section of this strategy document introduces the purpose and functions and sets the context within which it is designed and expected to operate. The second section outlines key findings of the TF/PF NRAs; and the final section provides strategic themes, objectives and actions, which are designed to address these findings and result in a stronger and more effective CFT/CPF Regime. BNCCS, as recognized by the Financial Action Task Force, contributes to an effective system for the prevention, detection and deterrence of TF/PF, and other identified risks.

Section I – Introduction

The BNCCS provides the jurisdiction's approach to addressing primarily terrorist financing (TF), proliferation financing (PF), and other identified risks over the next three years.

The BNCCS is informed by, and designed to address, the findings of the TF/PF NRAs, which involved the country's identification of its TF and PF risks at the national and sectoral levels. The TF/PF NRAs inform The Bahamas' risk-based approach to addressing TF and PF Threats. Through the TF/PF NRAs, competent authorities charged with responsibility for the implementation of the CTF/CPF Regime (an integral part of the NIRF) have developed a deep appreciation of the risks faced by the jurisdiction and by their respective sectors and are thus better equipped to develop and implement appropriate risk mitigation strategies. The key results of the TF/PF NRAs were published for public and private sector consumption in 2026. It is anticipated that publishing those results:

1) informed the public sector agencies and stakeholders engaged in relevant financial sector business obligated to the requirements of the Financial Transactions Reporting Act, of the existing TF/PF risks, thereby facilitating the design and implementation of adequate measures for risk mitigation; and,
2) provided information that will assist in the efficient allocation of resources to mitigate identified risks.

Additionally, publishing the results is a fulfilment of the jurisdiction's international obligations under FATF Recommendation 1 in as much as the publication via regulatory and other agencies inform the private sector stakeholders of the TF/PF NRA results.

The Government of The Commonwealth of The Bahamas recognizes that in order to address the growing sophistication of those that seek to benefit from criminal or illegitimate means, its approach to attending to TF/PF concerns must be one which is comprehensive, involving a sound understanding of risks, and engaging competent authorities, the private sector and the wider public.

The jurisdiction's BNCCS therefore seeks to incorporate these stakeholders while outlining an overarching guide to ensure that the findings of the TF/PF NRAs are addressed, thereby leading to an identified risks framework which is stronger and more robust in the coming years. In doing so, the jurisdiction is led by the following vision and mission:

Vision "Maintaining a robust, dynamic and responsive national TF/PF legal, enforcement and regulatory regime and framework to address identified risks in a changing environment, consistent with international standards, and thereby maintaining the integrity of The Bahamas' financial system".

Mission "To foster and promote – (1) an environment of a multi-agency approach which incorporates the widest means of international cooperation for the protection of The Bahamas' financial system against terrorist financing, proliferation financing (of weapons of mass destruction) and other identified risks; and (2) an environment of monetary stability conducive to economic development and to ensure a stable and sound financial system through the highest standards of integrity and leadership."

Being guided by the above-stated vision and mission, the Government of the Commonwealth of The Bahamas considers it prudent to continue to enhance (as necessary) the jurisdiction's CTF/CPF regime and address the findings of the TF/PF NRAs and issues of concern arising out of the CFATF MER by embarking on a course of action under four strategic themes.

Strategic Themes

1. Enhancing the jurisdiction's Identified Risks legal, enforcement and regulatory framework;
2. Enhancement and Maintenance of a comprehensive risk-based supervisory framework for all financial and non-bank financial services providers;
3. Strengthening of sanctions, intelligence and enforcement; and,
4. Raising CFT/CPF awareness among all stakeholders and the general public.

Section II – Revisions Identified in FATF 40 Recommendations, The TF/PF Threats and Vulnerabilities reflected in the NRA.

Revisions identified in FATF Recommendations

The Bahamas as a founding member of the Caribbean Financial Action Task Force (CFATF), which was established in 1990, has demonstrated its longstanding commitment to international best practice on combatting Money Laundering, the Financing of Terrorism and Proliferation Financing of Weapons of Mass Destruction (WMD) embodied within the 40 Recommendations of the Financial Action Task Force. Currently The Bahamas stands, since 2022, as one of a handful of jurisdictions of the FATF Global Network that has attained compliant ratings in all 40 FATF Recommendations. The jurisdiction has undergone four mutual evaluations by the CFATF with the latest being conducted during the period 30 November ‑ 11 December 2015 and is currently undergoing its 5th Round. The Mutual Evaluation Report (MER) for the current assessment is scheduled for publication in 2027. This mutual evaluation is based on the revised Financial Action Task Force's (FATF) 40 Recommendations and the Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT/CPF) Systems of December 2025 ("the Methodology").

The 2025 FATF Methodology has undergone a series of revisions with adjustments made to a number of Recommendations and Immediate Outcomes. The country's legislation has undergone some adjustments to remain in compliance with the newly minted elements of the FATF technical Recommendations and Effectiveness Standards.

The TF and PF threats and vulnerabilities reflected in the TF/PF NRAs

The NRAs involved a process through which TF and PF risks to The Bahamas were determined. It reviewed TF/PF threats to The Bahamas along with vulnerabilities existing within the jurisdiction's legal and institutional framework, which could potentially be exploited. It also pointed to the multitude of strengths within the system.

The TF and PF NRAs took stock of threats at the national and sectoral levels and investigated vulnerabilities in the CFT and CPF regimes at the national and sectoral levels. At the sectoral level, financial and certain non-financial sectors were examined with vulnerability measured on a scale of low, medium low, medium, medium high and high. Many factors were considered including the negligible to zero levels of demonstrable TF and PF existing in the jurisdiction, the level of enforcement of obligations, a sector's commitment to good corporate governance, the level of STRs in existence, the identification infrastructure existing within the sectors, and the quality of CFT/CPF supervision.

The TF/PF NRAs identified a number of strengths in The Bahamas' CTF/CPF framework, which were substantially enhanced and strengthened in 2018 when the Proceeds of Crime Act, the Anti-Terrorism Act and the Financial Transactions Reporting Act and related regulations were enacted, and subsequent amendments. The jurisdiction has had a long-standing commitment to fighting financial crime and has thus developed a vast network of laws and regulations, including those allowing international cooperation, for the purpose of tackling potential TF and PF. Further, the overall supervisory framework for the financial industry is robust and domestic cooperation and coordination at the policy level have effectively taken place within The Bahamas for a number of years through the work of the IRF Steering Committee which, among other things, promotes effective collaboration between regulators and law enforcement agencies.

Notwithstanding these positives, the TF/PF NRAs also determined that, like all other jurisdictions, The Bahamas faces internal and external threats, albeit internal threats are limited for TF and PF. The primary threats of **domestic origin** within The Bahamas are theoretical and have not manifested. The crimes of fraud, human, gun and drug trafficking can potentially produce the revenue for TF and PF. The data / information reported by the ILCU (OAG), Legal Unit (MOF), the FIU and Customs Department bear evidence that the country's primary threats of **international origin** predominantly stem from the predicate offences of fraud (inclusive of tax fraud), bribery, corruption, money laundering, firearms smuggling and drug trafficking. In addition, contagion risk from transacting through the global financial system with The Bahamas' closest strategic ally (the United States of America) is considered possible although not probable. Nonetheless, these threats continue to be major considerations in designing and implementing measures strengthening the jurisdiction's CFT and CPF frameworks.

Vulnerabilities were identified by the TF and PF NRAs. The more prominent sectors are identified below. To address these vulnerabilities, The Bahamas must continue to:

i. exercise vigilance in the banking sector due to its systemic importance and international exposure, even though no confirmation of TF or PF have been identified in the country. Cross-border transactions can be subject to contagion risk and correspondent banking relationships can be misused by illicit actors.

ii. exercise a strong regulatory enforcement environment to promote transparency in the legal persons and arrangements sector and avoid

iii. subject the payment services sector to the same stringent AML/CFT/CPF obligations of the banking sector, recognizing that this sector's fast, low-cost transfers involve small sums that are vulnerable to misuse, particularly for TF. The small sums involved in most money transfers do not lend to the profile for proliferators of WMD;

iv. strengthen the dedicated legal and regulatory regime for non-profit organizations (NPOs) conducted by the OAG-CU, recognizing that NPOs are potential mediums of choice for TF, and can be used for PF as well. Updating risk assessments, issuing targeted guidance and promoting best practices in governance and financial management are the keys for success;

v. maintain close engagement with industry stakeholders of the securities sector to strengthen internal controls, enhance the use of technology for transaction monitoring and supporting ongoing compliance through targeted TF/PF training and sector-specific TF/PF updates.

vi. monitor which can maintain robust CDD measures on life insurance products with investment or cross-border components which are internationally recognized as presenting elevated TF risks, less so for PF (except for the property class);

vii. maintain robust CDD measures on real estate practitioners such as brokers and developers, given the sectors' potential TF/PF exposure to high-value transactions and cash-based purchases;

viii. ensure adequate supervision is paid to attorneys and law firms, to ensure there is oversight and control as attorneys create complex legal structures that can provide anonymity, large volumes of varied transactions which are ideal for PF;

ix. recognize that the digital assets and virtual currencies sector is vulnerable to TF and PF given the rapid innovation in this space and its cross-border operability, pseudonymity, anonymity and real time transfers; and

x. monitor actively the activity in the casinos and the international clients that patronize them, which can potentially enhance both TF and PF risks.

Despite the lack of demonstrable TF and PF in the jurisdiction, The Bahamas enhanced and amended the Anti-Terrorism Act, the Banks and Trust Companies Regulation Act, the Insurance Industry Act, the Financial Transactions Reporting Act and the Financial Intelligence Unit Act over last 3 years to ensure all FATF standards are met in legislation.

The following section ‑ Strategic Themes, Objectives and Actions ‑ outlines the strategic direction the Government of The Bahamas for the next three years to build on the steps already taken to ensure that the jurisdiction's CFT/CPF framework adheres to international standards and is effective in preventing, detecting and deterring TF, PF and other identified risks.

Section III - Strategic Themes, Objectives and Actions

Strategic Theme 1: Enhancing the Jurisdiction's Identified Risks' Legal Framework

International best practice, as reflected in the FATF International Standards on Combating identified risks, requires, and regards as most efficient, a thorough approach to addressing such risks. The Bahamas remains committed to fully integrating this approach throughout its regulatory framework in order to achieve the best results in deterring and sanctioning these activities through the most resource efficient means.

Strategic Objective:

To secure an enhanced legal framework for the financial and non-financial service providers, which is consistent with international standards established by the FATF and which is effective in preventing, detecting and responding to TF/PF, and other identified risks.

Stakeholders Involved:

The Office of the Attorney General (OAG), Identified Risk Framework Steering Committee (IRF Steering Committee), the Ministry of Finance, Financial Services Regulators (CBB, SCB, ICB), Non-bank Financial Services Regulators (CC, GB, RGD), Financial Services Associations (BFSB), the International Legal Cooperation Unit (OAG), the Compliance Unit (OAG), the Financial Intelligence Unit (FIU), the Office of the Director of Public Prosecutions (ODPP), The Bahamas Customs Department (Customs), Bahamas Immigration Department, LEAs (RBPF, RBDF) and self-regulatory bodies (BAR, BICA & BREA).

Actions:

- Periodically and, where necessary, revise related legislation / regulations / procedures / policies undergirding the identified risk combatting regime, to ensure consistency with relevant international standards and to maintain a robust CFT/CPF framework.
- Continue to update financial and non-financial sector CFT/CPF Guidance Notes as necessary to align with any changes / adjustments to the overarching CFT/CPF legislation, providing specific guidance in line with relevant international standards for the prevention, detection, and reporting of CFT/CPF and other identified risks, as well as the administration of penalties where required.

Strategic Theme 2: Enhancing, maintaining and sustaining a comprehensive risk based supervisory framework for financial and non-financial service providers.

A risk-based approach to addressing the threat of TF, PF and other identified risks requires objective evidence concerning these activities in the domestic and international spheres. The maintenance of an up-to-date risk assessment will better equip supervisory authorities and other competent authorities to design and implement appropriately tailored measures for countering such criminal activities and will aid in short and medium-term strategic planning.

A risk-based approach to supervision continues to facilitate a more efficient allocation of resources by directing greater amounts of resources to higher risk areas while ensuring that lower risk scenarios are appropriately addressed. Enhancing and maintaining a risk based supervisory framework dedicated to governing the noted risks, achieves the goal of deterring TF/PF activities and other identified risks and significantly contributes to a more robust network of laws and regulations.

Strategic Objectives:

1. Review all regulatory risk-based supervisory programs to ensure that adjustments are made, as necessary, when laws, regulations, procedures or policies are amended;
2. Supervisors to consistently monitor compliance with CFT/CFP regulatory and legislated obligations;
3. To maintain up-to-date sectoral risk assessments to allow for an adequate appreciation of risks by relevant supervisory and competent authorities at all times for the efficient allocation of resources and appropriate design of TF/PF risk mitigation measures.
4. To maintain a framework for the organization of specific regulatory briefings, training and outreach by all government agencies charged with administrating and overseeing compliance with The Bahamas' Identified Risk legislative and administrative framework.

Stakeholders involved:

The OAG, MOF, CBB, SCB, ICB, CC, GB, RGD, FIU and any other public sector or self-regulatory body charged with responsibility for monitoring compliance with anti-money laundering legislative framework.

Actions:

Strategic Objective 1

- Maintain the risk based supervisory frameworks for all financial and non-financial sectors.
- Ensure adequate staffing and training to facilitate the risk-based framework.
- Ensure review and amend, as necessary, as laws and regulations and policies change.
- Ensure that licensees are appropriately briefed on the risk based supervisory framework changes.

Strategic Objective 2

- Supervisory and regulatory agencies charged with responsibility for monitoring compliance with CFT/CPF regimes and other identified risk obligations regarding FTRA, FTRR, POCA, ATA to ensure licensees and/or registrants assess their TF and PF risks periodically;
- Supervisory and regulatory agencies, to maintain their on-site and off-site inspections on a risk sensitive basis, verify whether licensees and/or registrants are complying with the obligations and are continuously taking into account the results of the TF/PF NRA; and,
- FIU to develop typologies reflective of national TF and PF threats to keep competent authorities and those engaged in relevant financial business informed through periodic briefings.

Strategic Objective 3

- Regulatory agencies to organize, on an individual or integrated basis, periodic (quarterly, twice per year, etc.) outreach and awareness campaigns on identified TF and PF risks; and,
- Regulatory agencies to organize training sessions for constituents on topical issues pertaining to identified TF and PF risks.

Strategic Theme 3: Strengthening of Sanctions, Intelligence and Enforcement

One of the pillars upon which an effective CFT/CPF regime rests is a strong framework for investigating, pursuing and sanctioning cases of identified risks, as well as the RBPF engaging stakeholders such as customs, the maritime and airport authorities to mitigate PF risks. The Bahamas Government recognizes that the key to guaranteeing such a framework is a strong and adequately resourced FIU and RBPF. Following on from the Bahamas National AML Strategy, efforts will also be continued to maintain adequate resources (staffing and infrastructure (IT resources) at the OAG and ODPP, International Legal Cooperation Unit (OAG - ILCU), Compliance Unit (OAG - CU), CBB, and RBPF FCIB and RBPF ATU to manage and mitigate TF/PF risks, analyze, investigate and prosecute suspicious activity, financial crime and its predicates, to ensure greater readiness in deterring or punishing those engaged in such activities in the eventuality of such crimes occur. The functionality and operational capability of these agencies and units should therefore receive the ongoing attention of The Bahamas Government to ensure that at all times they are fit for purpose. Additionally, the FATF calls for countries to apply sanctions, which are “effective, proportionate and dissuasive”. Without these attributes, sanctions fail to achieve their deterrent purpose.

Strategic Objective:

To maintain adequate resources in LEAs, FIU, Regulators and other stakeholders to ensure the effective functionality and operational capability to carry out their task and functions.

Stakeholders Involved:

The FIU, ILCU, CU, RBPF - FCIB, RBDF, Customs, Immigration, the ODPP, and any other public sector or self-regulatory body (If warranted) charged with responsibility for monitoring compliance with IRF.

Actions

Strategic Objective 1

- To review periodically and amend, as necessary, the established punitive penalties regime to ensure that sanctions remain effective, proportionate and dissuasive for non-compliance with CFT/CPF regimes;

- To maintain adequate levels of staffing and training at the FIU and review for upgrades, as necessary, in technology toolkit on an ongoing for handling STRs and assisting with analyses to facilitate better STR management and greater efficiency.

- To maintain adequate levels of staffing and training at the RBPF FCIB, OAG (ILCU and CU) and ODPP so that suspicions and reports of financial crime may be effectively investigated, pursued, and prosecuted and the administration of targeted financial sanctions managed efficiently.

- To ensure that there are periodic reviews of the electronic case management system at the ILCU-OAG Unit for the more efficient administration of financial crimes cases.

- Continued focus on consistent and appropriate data collection by all agencies involved in the maintenance of the TF/PF legal framework;

- Enhance Cross-Border Cooperation and Intelligence Sharing - build on existing international collaboration to improve timely information exchange and coordinated responses to potential threats, particularly those associated with correspondent banking and transnational flows.

- Maintain timely designation, asset freezing, and delisting of individuals and entities in accordance with UN Security Council Resolutions, with ongoing oversight and private sector engagement.

Strategic Objective 2

- Increase technological resources at RBPF-FCIB (chain analysis, etc.) for the investigation and handling of disseminations from the FIU and other suspicions of financial crimes;
- Identify specialized training for ODPP, Judiciary as well as ILCU and CU;
- Implement an electronic system for PF/TF case management for ODPP, and RBPF FCIB Units;
- To continue periodic meetings, as deemed necessary, between ODPP, ILCU, CU, LEAs, FIU, Bahamas Customs and Immigration Departments:
    a) To discuss challenges and solutions to improve identified risk investigations, prosecutions and forfeiture of proceeds of crime,
    b) To discuss identified risk case management issues, to crime,
    c) To bring increased focus on intelligence gathering at the RGPF-FCIB and ODPP on the identification, seizure, restraint, and confiscation of the proceeds of crime, and,
    d) To develop intelligence on topical matters such as guns and human smuggling, etc.

Strategic Theme 4: Raising CFT/CPF Awareness amongst all Stakeholders and the General Public

The effective and sustained implementation of pertinent policies and strategies for addressing CFT/CPF and other identified risks will depend on partnerships among Government, the private sector and civil society. It is expected that the collaboration among stakeholders and their continued involvement in the process of enhancing the jurisdiction's NIRF will continue to raise awareness of CFT/CPF and other identified risks and highlight the vested interest of each stakeholder in ensuring that the jurisdiction remains inhospitable to those who seek to engage in TF and PF, and other nefarious activities. Additional measures for NIRF awareness enhancement will further deepen stakeholders' understanding of risks and mitigation tools and allow opportunity for feedback to the competent authorities to improve policy making and implementation.

Strategic Objective:

To continue and enhance outreach to all stakeholders in the Government, the private sector and the general public to ensure awareness of the jurisdiction's CFT/CPF international obligations and their role in fulfilling those obligations.

Stakeholders Involved:

The IRFC, IR Steering Committee, the OAG (ILCU and CU), the ODPP, the FIU, GFSR (CBB, ICB, SCB, CC, GB), RGD, the LEAs, Bahamas Customs, Bahamas Immigration and any other public sector or self-regulatory bodies charged with responsibility for monitoring compliance with anti-money laundering regulations.

Actions:

Strategic Objective 1

- Design and deliver presentations and programmes for raising awareness of CFT/CPF matters with Department Heads, Chief Officers, and Ministers of the Government.

Strategic Objective 2

- Support continuous dialogue, training, and outreach to ensure stakeholders remain aware of evolving TF risks and implement effective internal controls..

Strategic Objective 3

- Raise awareness through outreach to persons engaged in relevant financial businesses via print media, infomercials, etc.; and,

- Design an awareness programme for other civil society stakeholders and the general public which may be communicated through various means including the media.

Policy Implementation

The Attorney General has responsibility for general oversight of the NIRF and as such is charged with responsibility for the maintenance of the BNCCS. The Ministerial Council chaired by the Attorney General and the IRF Steering Committee will be responsible for its oversight and implementation respectively. In doing so, coordination and cooperation will be the responsibility of the National Identified Risk Framework Coordinator who will also monitor the progress of all stakeholders in achieving the strategic objectives.

Monitoring and Evaluation

Monitoring is a routine function that collects data routinely and systematically, and reports on how the planned actions are progressing. Each competent authority is expected to undertake tasks to achieve measurable results of strategic objectives related to its responsibilities. Each agency will report to the NIRFC quarterly on the progress made to accomplish the action items relevant to its activities and will report on such progress in the meetings of the IRF Steering Committee. Periodic reports will be submitted to the Ministerial Council on such activities and progress of the action plans of respective agencies. As it relates to evaluation of the BNCCS, review, strengthening and maintenance of staffing and technological resources are being addressed in the short term with other activities planned for the medium term.